

Frequently Asked Questions (FAQs)

on Bank Indonesia Regulation No. 9/3/PBI/2007 dated March 16, 2007
concerning Government Securities Auction and Administration

Q. Who are eligible to buy SUN in the Primary Market?

A. Those eligible to buy SUN in the Primary Market are individual persons, groups of persons and/or properties well organized either as legal entities or non-legal entities, or Bank Indonesia.

Q. How is SUN bidding in the Primary Market?

A. The SUN bidding in the Primary Market is as follows.

- 1) Auction Participants bidding SUN either directly or through other Auction Participants for and on their own behalf may only bid by Competitive Bidding.
- 2) Auction Participants bidding Treasury Bills for and on behalf of other parties other than Bank Indonesia may only bid by Competitive Bidding.
- 3) Auction Participants bidding Government Bonds for and on behalf of other parties may bid by Competitive Bidding and/or Non-competitive Bidding.

Q. How is SUN price determined?

A. The SUN price for auction winners with Competitive Bidding shall be determined by Multiple Price method and that for auction winners with Non-competitive Bidding shall be determined by Weighted Average Price method of SUN auction results by Competitive Bidding.

Q. How does Bank Indonesia register SUN ownership?

A. Bank Indonesia registers the SUN ownership paperless (scripless) and by book entry in a two tier systems, namely :

- 1) The Central Registry shall register and change ownership of securities including SUN for Bank, Sub-Registry, and other parties approved by Bank Indonesia; and

- 2) The Sub-Registry shall register and change ownership of securities including SUN for customers.

The register of SUN ownership at the Central Registry and Sub-Registry constitutes a valid evidence of ownership.

Q. When will the settlement of SUN Auction results be executed?

A. The settlement of SUN Auction results is as follows.

- 1) The settlement of Treasury Bills transaction in the Primary Market shall be executed on the following working day after the day of Treasury Bills Auction (T+1).
- 2) The settlement of Treasury Bills transaction in the Primary Market shall be executed no later than 5 (five) following working days after the announcement of Government Bond Auction winners (T+5).
- 3) The settlement of Government Bond Buyback Auction shall be executed on 3 (three) following working days after the day of Government Bond Buyback Auction (T+3).

Q. When will Bank Indonesia pay SUN interest (coupon) and principal?

A. Bank Indonesia will pay the SUN interest (coupon) and principal amounting to nominal value on maturity date borne by the Government. However, on request by the Government, Bank Indonesia will pay the SUN principal prior to the date of maturity borne by the Government.